

1 **BEFORE THE INSURANCE COMMISSIONER**  
2 **OF THE STATE OF CALIFORNIA**  
3 **SAN FRANCISCO**  
4

5 In the Matter of the Licenses and Licensing  
6 Rights of:

File No. DISP-2009-00635

7 **OLD REPUBLIC TITLE COMPANY;**  
8 **and,**

**ORDER**

9 **OLD REPUBLIC NATIONAL TITLE**  
10 **INSURANCE COMPANY,**

11 Respondents.  
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15 WHEREAS, on or about December 30, 2009, the Insurance Commissioner (hereafter  
16 "Commissioner") caused to be served upon OLD REPUBLIC TITLE COMPANY and OLD  
17 REPUBLIC NATIONAL TITLE INSURANCE COMPANY (hereafter collectively "OLD  
18 REPUBLIC") an Accusation, Notice of Noncompliance, and Demand for Monetary Penalty,  
19 denominated "In the Matter of the License and Licensing Rights of: OLD REPUBLIC TITLE  
20 COMPANY and OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY,  
21 Respondents," File No. DISP-2009-00635 (hereafter "Accusation"), incorporated herein by  
22 reference. Said Accusation alleged that, from January 1, 2009 going forward, OLD REPUBLIC  
23 failed to adhere to certain filed rates, rating plans, rules, and rating systems, resulting in  
24 undercharges, alleged as an inducement for the referral and placement of title business, in  
25 violation of California Insurance Code §§12401.1, 12401.3, 12401.7, 12404, 12405, 12406, and  
26 12414.27 and the requirements and standards of §§700 et seq. and 12389.2; and,

27 WHEREAS, OLD REPUBLIC TITLE COMPANY and OLD REPUBLIC NATIONAL  
28 TITLE INSURANCE COMPANY have executed a Stipulation and Waiver in which the

1 companies waived respective rights to a hearing in this matter, and any other rights which may be  
2 accorded pursuant to the provisions of the California Administrative Procedure Act (Government  
3 Code §§11500-11528) and the California Insurance Code, and have stipulated to the entry of this  
4 Order. Said Stipulation and Waiver is incorporated herein by reference; and,

5 GOOD CAUSE APPEARING,

6 IT IS HEREBY ORDERED that OLD REPUBLIC TITLE COMPANY and OLD  
7 REPUBLIC NATIONAL TITLE INSURANCE COMPANY shall Cease and Desist from failing  
8 to adhere to its respective filed rates, rating plans, rules, and rating systems which may be in  
9 violation of, or noncompliant with, California Insurance Code §§12401.1, 12401.3(a), 12401.7,  
10 and 12414.27; and,

11 IT IS FURTHER ORDERED that OLD REPUBLIC TITLE COMPANY and OLD  
12 REPUBLIC NATIONAL TITLE INSURANCE COMPANY shall Cease and Desist from  
13 engaging in activities which may be in violation of, or noncompliant with, Article 6, Chapter 1,  
14 Part 6, Division 2 (commencing with §12404) of the Insurance Code; and,

15 IT IS FURTHER ORDERED that OLD REPUBLIC TITLE COMPANY and OLD  
16 REPUBLIC NATIONAL TITLE INSURANCE COMPANY shall comply with the provisions of  
17 California Insurance Code §§12404, 12405, and 12406 prohibiting illegal rebate/inducement  
18 activities; and,

19 IT IS FURTHER ORDERED that OLD REPUBLIC TITLE COMPANY and OLD  
20 REPUBLIC NATIONAL TITLE INSURANCE COMPANY shall pay the amount of three  
21 hundred seventy-five thousand dollars (\$375,000.00) to the California Department of Insurance,  
22 in three installments, as a monetary penalty pursuant to California Insurance Code §§12409 and  
23 12976. The first penalty installment of one hundred fifty thousand dollars (\$150,000.00) shall be  
24 paid within ten (10) days of receipt of an invoice from the California Department of Insurance,  
25 Division of Accounting; the second penalty payment installment of one hundred twenty-five  
26 thousand dollars (\$125,000.00) shall be paid on or before February 15, 2010; and the final penalty  
27 payment installment of one hundred thousand dollars (\$100,000.00) shall be paid on or before  
28 March 1, 2010; and,

1 procedures, as soon as is reasonably possible, to continuously monitor rating and underwriting  
2 practices to ensure conformance with its respective filed rates, rating plans, rules, and rating  
3 systems; and,

4 IT IS FURTHER ORDERED that OLD REPUBLIC TITLE COMPANY and OLD  
5 REPUBLIC NATIONAL TITLE INSURANCE COMPANY shall work with the California  
6 Department of Insurance to review rate qualification criteria and revise, as necessary, to facilitate  
7 compliance with such filed rates and insurance laws; and,

8 IT IS FURTHER ORDERED that this Order shall become effective immediately upon the  
9 date set forth below.

10 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this

11 9th  
12 day of February, 2010.

13  
14 STEVE POIZNER  
Insurance Commissioner

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16  
17 By.   
18 JERRY L. WHITFIELD

19 Assistant Chief Counsel  
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